

redevelopment **WORKS**

A MONTHLY UPDATE OF DEVELOPMENT ACTIVITIES IN MARIETTA

Marietta Redevelopment 2005 Year In Review

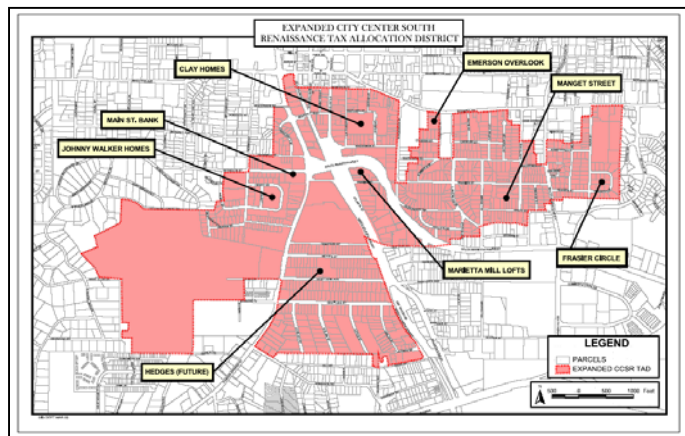
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Redevelopment Areas and Tax Allocation Districts

Center City South Renaissance

The City Center South Renaissance Tax Allocation District is Marietta's first TAD created in 2003 and expanded in 2004. The 486-acre TAD was established to support redevelopment of the Johnny Walker and Clay Homes public housing and Frasier Street Apartments. These three publicly initiated projects have acted as a catalyst for redevelopment in their surrounding neighborhoods as forecast in the Redevelopment Plan.

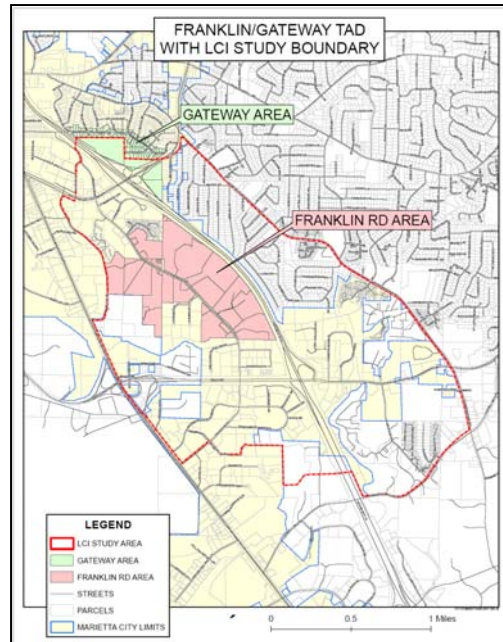


The City's commitment to invest in the declining neighborhoods of the CCSR TAD has attracted over \$215 million in private investment to the redevelopment area. In 2005, on the ground construction and planned projects enabled the City to finance an \$8.4 million TAD bond with Bank Branch & Trust (BB&T). Bond proceeds will be used to reimburse the City for its land assembly costs, provide direct contributions to make projects financially feasible and finance neighborhood improvements for streets, sidewalks, park space and utility upgrades. Cobb County Assessor's 2005 property appraisals for property within the TAD reflect a \$7.5 million or 15.2 percent increase in value over 2004.

Franklin/Gateway District

Established in 2004, the Franklin/Gateway Tax Allocation District is Marietta's second TAD. The 324-acre TAD was created to support future revitalization of the Franklin Road Corridor and development of underutilized or vacant land at the northwest quadrant of I-75 and Hwy 120. Redevelopment of property on Franklin Road will be supported by transportation improvements planned for the Northwest Corridor (I-75/I-575) that include a Bus Rapid Transit Station and a transit oriented, mixed-use development on Franklin Road. Transportation improvements to the I-75 and Franklin Road Corridor are expected to attract developer interest in reuse of property surrounding the proposed BRT Station.

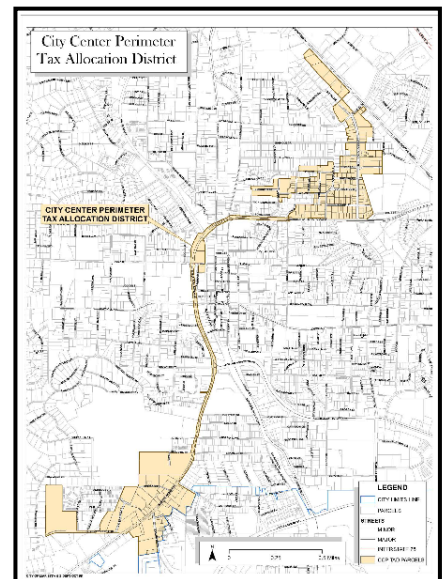
In 2005, the Georgia Department of Transportation (GDOT) and Georgia Regional Transportation Authority (GRTA) held open houses and public meetings to receive input from citizens in regards to the location of proposed BRT stations and visions for land use patterns in the areas immediately surrounding the stations. Planning for the proposed BRT station and other redevelopment projects will continue throughout 2006. Other 2005 initiatives impacting the Franklin/Gateway district include the City Council approval of the Delk Transit Oriented Development (TOD) Livable Centers Initiative (LCI) Study, the submission of an application for Community Development Block Grant funds to be invested along Franklin Road and the approval of special purpose local-option sales and use tax (SPLOST) funding for transportation improvements in the area.



Center City Perimeter

The Center City Perimeter Tax Allocation District was established in 2005. The 215-acre TAD was established to support the redevelopment of Wynhaven Apartments on Powders Springs Street and the construction of a 40,000 sq ft Class-A office building near Polk Street. The boundaries of the TAD incorporate underutilized commercial property located along the Allgood Road and Powder Springs Road corridors, as well as the neighborhood surrounding the Lyman Homes public housing project.

With agreements among City, County and School officials in place, the City will seek to issue a bond for the Center City Perimeter TAD by mid 2006. Identified projects are expected to break ground shortly after. The Marietta Redevelopment Corporation will be actively working to initiate other redevelopment projects within the new TAD during 2006.



Redevelopment Projects

Johnny Walker Homes

The Myrick Company, LLC was selected by the City in June 2005 to redevelop the former Johnny Walker Homes public housing. The Myrick Company's plan for the 10.68-acre site on Powder Springs Street includes approximately 50,000 square feet of retail and office space and 45 residential condominiums in two mixed-use buildings located along Powder Springs Street. Myrick also proposes to develop 58 townhomes and 18 single family detached homes on the remainder of the site. The total projected completion value of the project is \$40 million. The City Council is expected to act on Myrick's site plan in February. If approved, construction would begin in the Spring of 2006.



Clay Homes

Winter Properties, LLC was selected in September 2005 by the Marietta Housing Authority to redevelop the former Clay Homes public housing. Winter Properties' plan for the 11.77-acre site on Roswell Street includes approximately 32,000 square feet of retail and 47,000 square feet of office space and a total of 315 residential condominiums, townhomes and duplexes. The total completion value of the project is projected to range from \$93 to \$100 million. Construction is expected to begin Summer 2006.



Frasier Circle

Deerfield Development is transforming 48 duplex units into a fee-simple townhome community called The Village at Frasier Park. One and two-story units ranging from 1,000 to 2,200 square feet are selling now and construction is expected to be completed by 2007. The estimated completion value of the project is \$9.6 million.



Manget Redevelopment

Hedgewood Development, LLC was selected in March 2005 to redevelop a 8.08-acre tract of land requiring the demolition of 15 quadrexplex buildings and several duplexes and dilapidated structures. Since acquiring the City's parcel, Hedgewood has also assembled additional property around the Manget Redevelopment site. Hedgewood now plans to build 265 residential units including condominium flats, townhomes and single family detached homes valued at \$58.3 million. Construction of housing units will begin in the first quarter of 2006.



Marietta Mill Lofts

Church Street Properties is currently building 40 condominium lofts above 10,000 square feet of retail space near the intersection of South Marietta Parkway and Atlanta Street. The site was the location of the former Victory Cab Company, which had been vacant for several years. Construction will be completed in 2006 and is projected to have a completion value of \$10.17 million.



Atlanta Northern Traction Co.

Later in 2006, the Atlanta Northern Traction Co., LLC is planning to start construction on a Class-A office building near downtown Marietta, representing the first new Class-A space to be added to the downtown office market in many years. Pending completion of final plans, the building will range from 35,000 to 48,000 SF and will have an estimated completion value ranging from \$7.7 million to \$10.5 million.



Wynhaven Redevelopment

Pending the City's ability to secure TAD financing in early 2006, the Pacific Group is expected to start construction of 235 for sale townhomes on the site of the Wynhaven Apartments on Powder Springs Street. The 18-acre project is expected to have a value of over \$80 million at project completion, compared to a current value of only \$8.5 million for the existing 296-unit apartment complex.



Emerson Overlook

In early January, the City will sell excess right-of-way acquired for streetscape improvements along Roswell Street, to Emerson Overlook, LLC. The buyer, who developed the adjacent Emerson Hill townhome project, plans to construct mixed-use buildings containing 40,000 square feet of office space and 45 residential condominiums. Construction of the \$18.7 million project is expected to begin in 2006.



Roswell Streetscape Improvements

In 2005 the City of Marietta broke ground on \$3.5 million in streetscape improvements along Roswell Street west of the Marietta Square, between Alexander and Park Streets. Streetscape improvements will include period lighting, pocket parks and sidewalks. These enhancements will complement planned redevelopment projects such as Clay Homes and Emerson Overlook and will provide better pedestrian connections from surrounding neighborhoods to the Marietta Square.

Marietta Power/Water Projects

In December representatives from Marietta Power and Marietta Water presented plans for investments in infrastructure to support redevelopment projects in the Center City South Renaissance and Center City Perimeter Tax Allocation Districts. Projects requiring major infrastructure upgrades include the redevelopment of Johnny Walker homes, Clay Homes, Wynhaven Apartments and Manget Street. These projects are all located within an approximate 1-mile area and impact the same aging utility infrastructure. Upgrades to public facilities are a crucial component to the success of redevelopment initiatives, to ensure that they are adequately served by electrical, water and sewer capacity.



New housing, office and commercial space in redevelopment areas will be accompanied by increased electric and water consumption. Marietta Power and Water improvements include a new sub station and circuits, new feeders from the new and existing substations to be buried underground and upgrades to some overhead facilities. Utilities along Roswell Street will be upgraded and converted from overhead to underground between Austin Avenue and the Square during the City's work on streetscape improvements. Water and sewer improvements include water main and sanitary sewer upgrades and replacements. Utility improvements to support redevelopment are expected to have little impact on current long-range improvement plans.

Community Development Activities

Community Development Block Grant Successes

In 2005 the City of Marietta Division of Housing and Community Development used Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) to renovate and replace distressed houses for income restricted property owners in Marietta. The City's Housing Rehabilitation and Emergency Repair Assistance program was used to repair or replace three houses in 2005 and a total of six houses since the program's creation. The City has replaced about three homes a year in recent years.

Under the program, most houses can be repaired when a homeowner requests financial assistance, but in some cases the houses are so deteriorated that it is more feasible to replace them. Replacement homes are designed in a "Marietta look" craftsman style with a large functional porch. For more information, contact the Marietta Division of Housing and Community Development at (770) 794-5437.

Cobb Housing Inc. Affordable Housing Projects

Cobb Housing, Inc (CHI) continues to make first time homeownership possible for low to moderate income persons while investing in and contributing to the revitalization of Marietta's downtown neighborhoods. In 2005 CHI completed construction of several housing units in distressed neighborhoods in Marietta.

In addition to building affordable housing, CHI offers programs and seminars to assist their clients with homebuyer education, financing and default prevention. CHI partners with financial institutions, mortgage insurance companies, realtors and community development organizations to help simplify the home buying process. Lending programs offered through CHI include first home down payment assistance, individual development accounts, and Section 8 Program subsidies toward mortgage payments.

For more information on Cobb Housing, Inc. visit <http://www.cobbhousinginc.org/> or call (770) 429-4400.

Marietta Redevelopment Corporation Operations

Board of Directors Update

The Marietta Redevelopment Corporation Board of Directors made significant contributions to the revitalization of Marietta in 2005. Directors held panel discussions to determine the highest and best use of redevelopment sites, visited developments located outside of Marietta and made recommendations to City Council concerning the selection of developers, tax allocation district contributions to developers and the creation of the Center City Perimeter TAD.

The MRC Board ended the year under the leadership of Chairman Floyd Northcutt and Vice Chairman Mickey Blackwell. Terry G. Lee was appointed as MRC treasurer for a second term and the Marietta City Council filled vacant seats on the Board with the appointment of Amy Verner and Scott Condra.

MRC Board of Directors

- Floyd Northcutt, Chairman
- James A. (Mickey) Blackwell, Vice Chairman
- Terry Lee, Treasurer
- Raymond C. Buday
- Marcelle David

- Ron Francis
- Tom Alan Smith
- William W. Hamilton, Sr.
- Amy Verner
- Scott W. Condra
- Mayor William B. Dunaway, Marietta
- Chairman Samuel S. Olens, Cobb County Board Of Commissioners

MRC Ex-Officio Members

- Bill Bruton, City Manager
- David Hankerson, Cobb County Manager
- Dr. Emily Lembeck, Superintendent of Marietta City Schools
- Beth Tippins, Interim Economic Development Director

MRC Staff

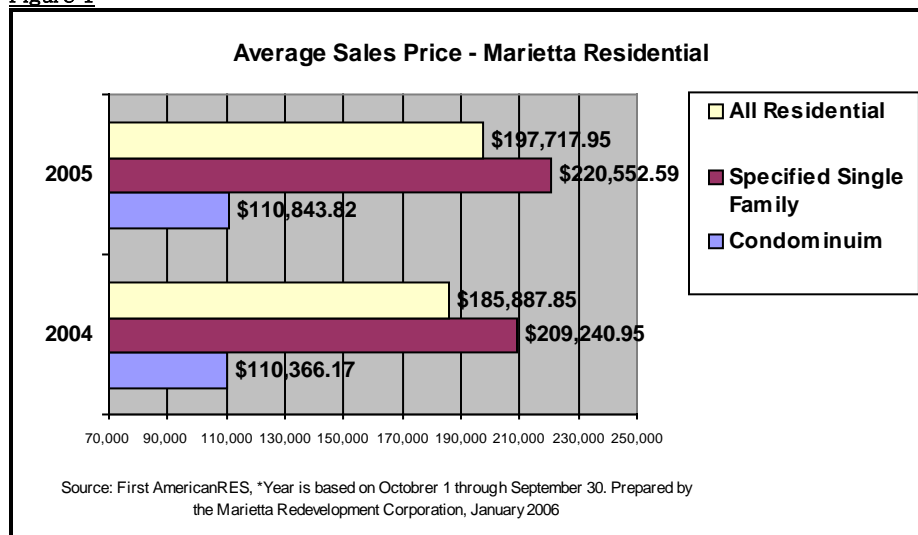
- Gary Mongeon, Executive Director
- Teresa Sabree, Redevelopment Project Manager

Looking Ahead to 2006

In 2006, the Marietta Redevelopment Corporation will continue to operate under the direction of the Marietta City Council to attract investment and help revitalize residential and commercial property. Major areas of focus will be residential and commercial areas within the Center City Perimeter and Franklin/Gateway Tax Allocation Districts. The MRC will continue to monitor the success of redevelopment in the Center City South Renaissance TAD. MRC Directors and staff are expected to strengthen communication with other local and non-profit agencies, including the Marietta Housing Authority and Cobb Housing, Inc., to ensure that redevelopment projects, MHA initiatives and affordable housing programs are coordinated to serve the needs of current and future residents of Marietta.

Marietta Residential Property Sales

Figure 1



According to recorded real estate sales data the average sales price of residential property in the City of Marietta increased by approximately 6.3 percent between 2004 and 2005. The average sales price of single-family residential property increased by approximately 5.4 percent during the same period. The sales price of all condominiums increased by a much smaller percentage with similar average sales prices for 2004 and 2005.

Figure 2

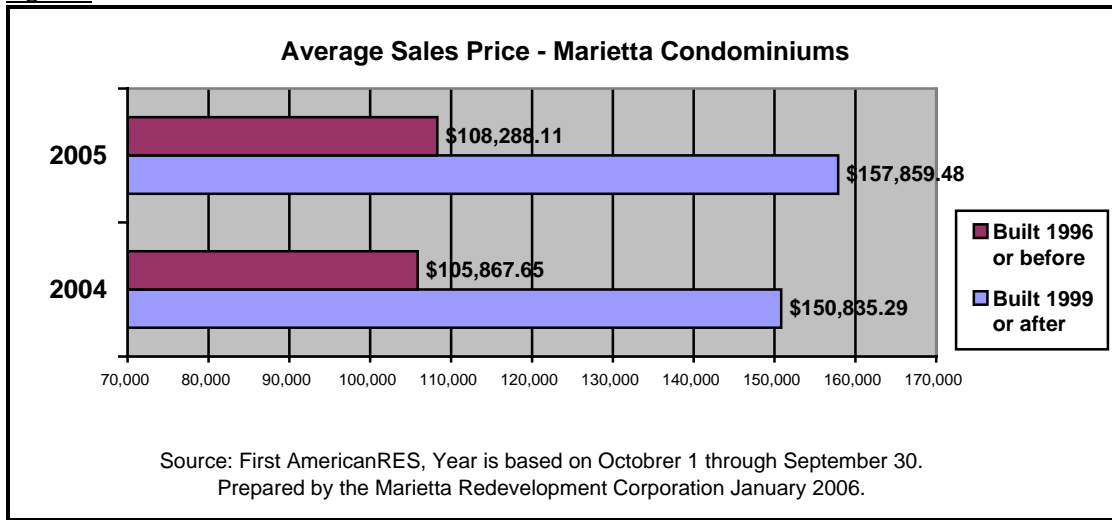


Figure 2 compares 2004 and 2005 average sales prices for condominiums by year built. According to recorded sales data, the 2005 average sales price for condominiums built before 1996 is roughly 68 percent of the average sales price of condominiums built after 1999. In addition to having a higher average sales price, condominiums built after 1999 had a larger sales price increase, 4.6 percent, than older units, which increased by only 2.2 percent between 2004 and 2005.

Figure 3

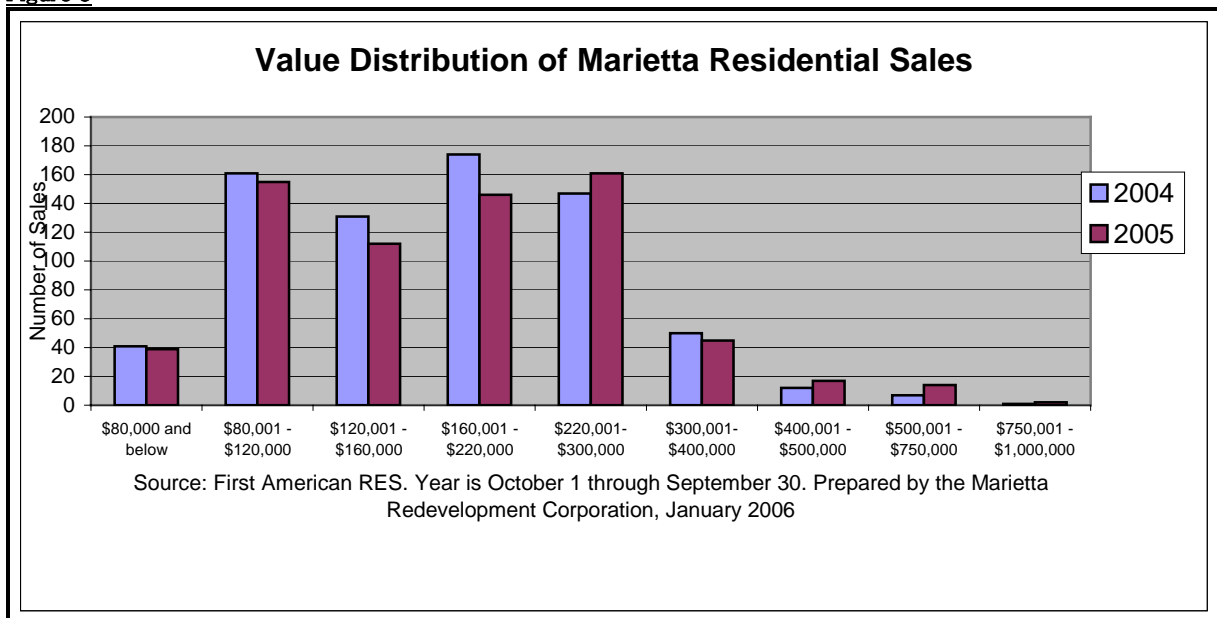
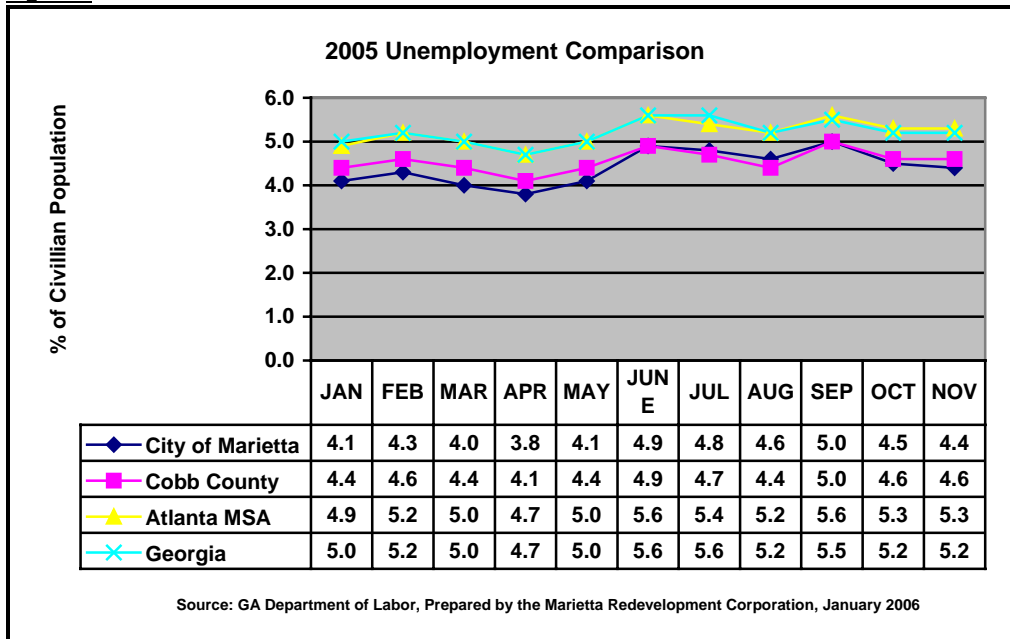


Figure 3 compares price distribution between 2004 and 2005 residential sales. According to recorded data, property sales under \$220,000 decreased from 2004 to 2005, but still accounted for the majority of residential sales in 2005. Recorded sales for homes between \$220,000 and \$300,000 increased from 2004 to 2005 and accounted for the majority (23 percent) of 2005 sales by price category.

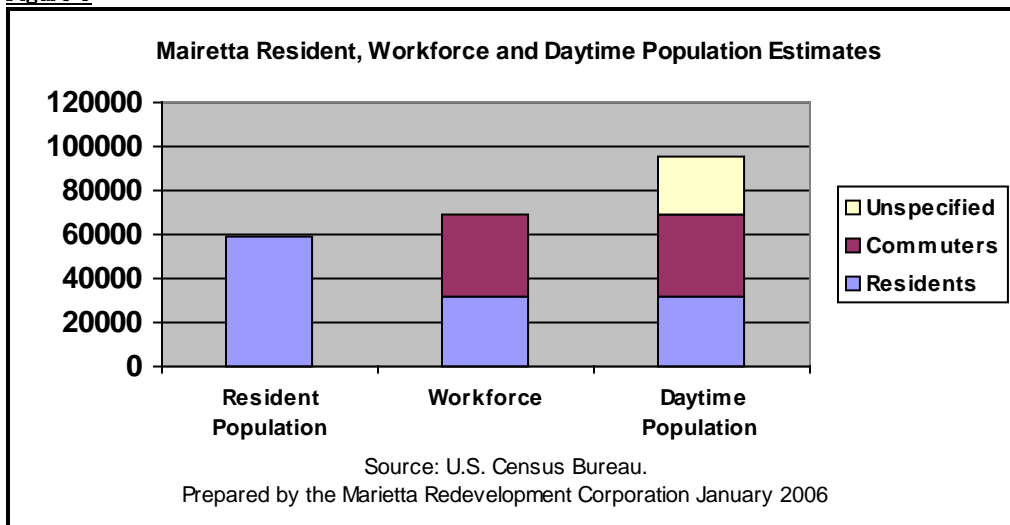
Marietta Population and Employment Statistics

Figure 4



According to the Georgia Department of Labor, Marietta's employment rate followed a pattern similar to that of Cobb County, the Atlanta MSA and the State. With the exception of July and August 2005, the unemployment rate for Marietta remained below that of the compared areas throughout 2005, ranging from 4.0 to 5.0 percent.

Figure 5



The number of persons in Marietta changes throughout the day as residents and non-residents commute to and from work, school and other locations. According to the 2000 Census Marietta's total population is 58,748. Based on Census counts Marietta's daytime population is estimated to be 95,705, which includes a resident workforce of 31,705 persons (33.1 percent), a commuter workforce of 36,957 persons (38.6 percent) and an additional 27,043 (28.3 percent) unspecified persons.